

## **DEPARTMENTAL BUDGET INFORMATION**

### **WATER (41)**

#### **MISSION**

The Detroit Water and Sewerage Department (DWSD) will exceed our customer's expectations through innovative treatment and transmission of water and wastewater that promote healthy communities and economic growth.

#### **DESCRIPTION**

The Water Supply System is administratively part of the Detroit Water and Sewerage Department while maintained as a separate fund in the City of Detroit accounting system. The department operates five water treatment plants and twenty-one booster (repumping) stations and twenty reservoirs. Of these five water plants, two plants are located in Detroit and one each is located in Allen Park, Dearborn and Port Huron. There are three sources of raw water supply -- Detroit River at Fighting Island, Detroit River at Belle Isle and Lake Huron north of Port Huron. DWSD's five water treatment plants pump an average of 675 million gallons of clean drinking water each day.

The Water Supply System's primary role is to provide potable water for over 4 million residents in Southeastern Michigan, delivered at various points in the system at adequate pressure to meet our customers' needs. The water provided is in conformance to applicable standards as required by Michigan's Safe Drinking Water Act. The department furnishes sufficient water pressure and pipeline service to assure acceptable fire protection.

The water system serves a total population of nearly 4 million people in Detroit and in

125 other communities within a 1,011 square mile service area in southeastern Michigan. The main administrative offices are located at 735 Randolph in downtown Detroit. Approximately 3,400 miles of transmission and distribution mains within the City of Detroit, and 790 miles of transmission lines in the remaining service area are owned and maintained by the department.

#### **MAJOR INITIATIVES**

The new water treatment plant at Water Works Park will change the current operating procedures. Virtually every structure and piece of equipment has been replaced or rehabilitated. Not only will this major project supply high-quality drinking water to over one million people in southeastern Michigan, at the heart of this effort will be the revival of a 110-acre urban waterfront park established in the late 1800s to house Detroit's primary water treatment plant. The new plant has increased the ability of the old Water Works Park Plant, which processed an initial capacity of 240 million gallons of water per day, to an ultimate capacity of 320 million gallons of clean drinking water each day.

The Water and Sewerage Department is in the process of a complete and total departmental reorganization of operations and services. The primary goal of the reorganization will be to provide a well-rounded customer focus, for the City of Detroit retail and suburban wholesale customers. Under the reorganization plan, many of the division's major functions, currently handled by twelve separate sections, will be consolidated. Performance

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measures are being set in place to insure management accountability, promote cost efficient operations and eliminate duplication of services.

The Detroit Water and Sewerage Department (DWSD) continues its improvement of the water system infrastructure in the City of Detroit and in various communities throughout Southeastern Michigan. The department has initiated a complete total water and sewerage meter change-out throughout the City of Detroit and the wholesale customer/suburban areas. This system of meters is called the Supervisory Control and Data Acquisition or (SCADA) system. These new meters incorporate a data transmission system to detect water losses, produce flow projection and help provide necessary data to assess future water demands and record water usage by all customer communities. These new meters will permit a more timely and accurate picture of water consumption which will better assist in financial planning for the department and its customers.

Implementation of the new customer billing system that began in FY 2001-02 is nearing completion. It is expected to be on-line in November 2003. The new Customer Billing Information System, (CBIS) will provide the options for DWSD residential and business

customers to make credit, debit and electronic payments for service. The Detroit Water and Sewerage Department will continue to work to develop and implement fair, equitable water and sewerage services rates and charges to all system customers using uniform rate methodologies.

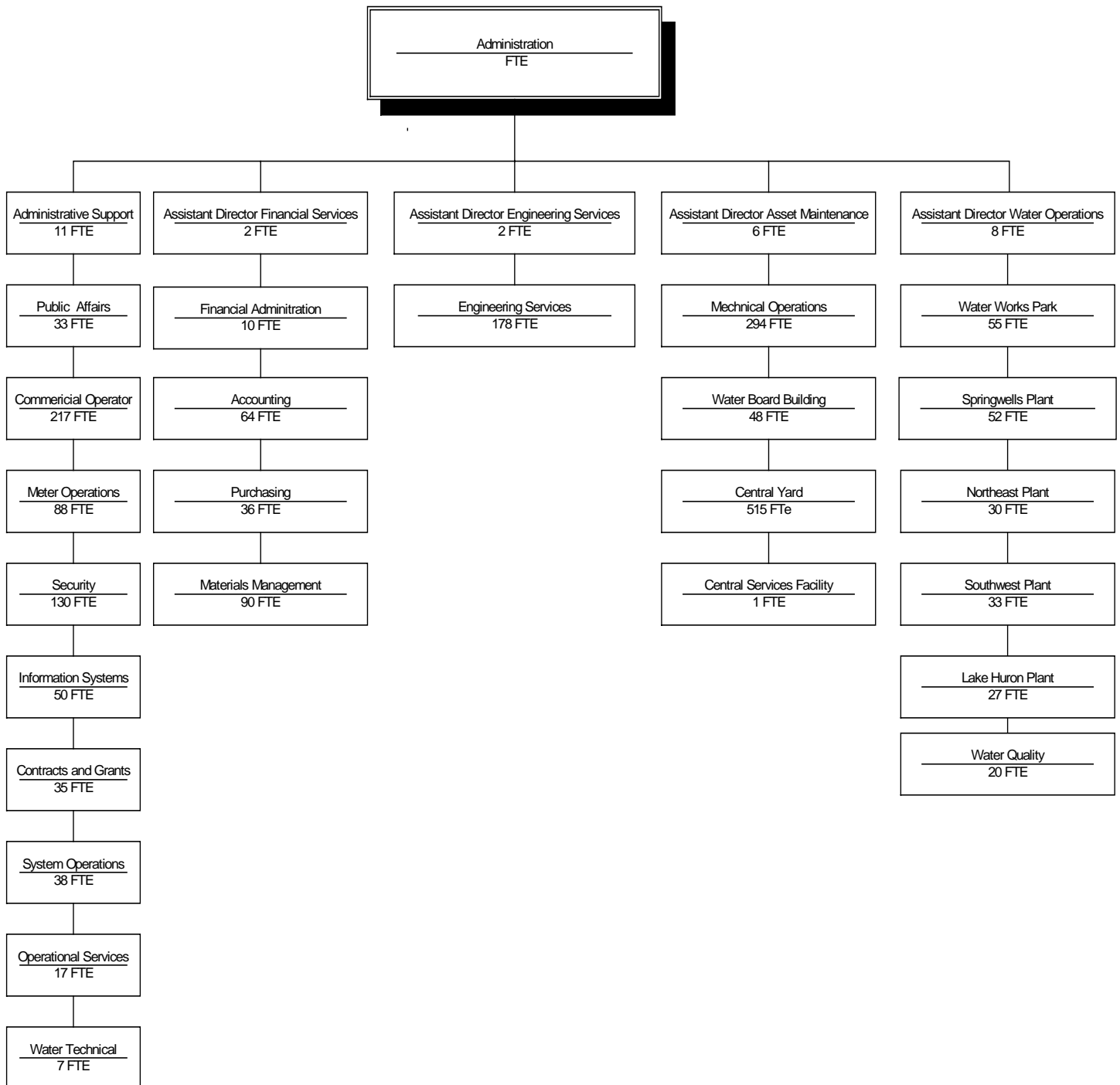
### **PLANNING FOR THE FUTURE**

Creation of a new Capital Improvements Management Division will provide DWSD with better review, prioritization and scheduling of capital improvement projects. This will insure that projects are completed in a time and cost-effective manner.

We are evaluating how DWSD collects past-due bills and instituting steps to improve our collection process. While taking strong measures to collect from those who have no intention of paying, DWSD will assist those struggling to pay their bills. To assist them and the families living below the poverty level, the department is working on a pilot Payment Assistance Program.

DWSD is now looking to the next 50 years of development for the city and the surrounding area. The vision for this project is to develop a "Comprehensive Water Master Plan" which will provide guidance and direction for the continuing, orderly expansion of the water system to meet those needs.

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**PERFORMANCE GOALS, MEASURES AND TARGETS**

<b>Goals: Measures</b>	<b>2001-02 Actual</b>	<b>2002-03 Projection</b>	<b>2003-04 Target</b>
Inform the public of agency operations:			
Populations served – city	951,270	951,300	951,300
Populations served – suburban	2,946,892	3,000,000	3,000,000
City services	227,530	262,157	262,155
Implement preventative maintenance measures on distribution system valves and hydrants:			
Fire hydrants repaired or replaced	282	290	285
Total hydrants in system	30,430	30,430	30,430
Continue the expansion and improvement of the Water and Sewerage system in Metro area:			
Number of ongoing water capital projects	17	14	12
Value of ongoing projects	12,761,000	437,251,000	23,227,000
Water pumped to main (billions)	241	240	241

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**EXPENDITURES**

	2001-02 Actual Expense	2002-03 Redbook	2003-04 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 53,121,674	\$ 47,006,783	\$ 49,764,488	\$ 2,757,705	6%
Employee Benefits	31,154,294	26,498,690	30,435,304	3,936,614	15%
Prof/Contractual	183,526,000	32,515,371	29,744,690	(2,770,681)	-9%
Operating Supplies	11,554,046	19,278,912	15,057,006	(4,221,906)	-22%
Operating Services	47,552,408	52,219,488	50,047,206	(2,172,282)	-4%
Capital Equipment	4,366,284	7,525,500	7,518,200	(7,300)	0%
Capital Outlays	788,663	335,165	224,665	(110,500)	-33%
Fixed Charges	68,161,230	87,060,300	95,583,800	8,523,500	10%
Other Expenses	(8,624,478)	363,873,889	11,219,841	(352,654,048)	-97%
<b>TOTAL</b>	<b>\$ 391,600,121</b>	<b>\$ 636,314,098</b>	<b>\$ 289,595,200</b>	<b>\$ (346,718,898)</b>	<b>-54%</b>
<b>POSITIONS</b>	<b>1,826</b>	<b>2,411</b>	<b>2,097</b>	<b>(314)</b>	<b>-13%</b>

**REVENUES**

	2001-02 Actual Revenue	2002-03 Redbook	2003-04 Mayor's Budget Rec	Variance	Variance Percent
Fines/Forfeits/Penalties	\$ 6,000,107	\$ -	\$ -	\$ -	0%
Rev from Use of Assets	12,001,572	6,484,000	14,629,200	\$ 8,145,200	126%
Sales & Charges	210,739,494	261,977,369	274,272,758	\$ 12,295,389	5%
Sales of Assets	17,784	-	-	\$ -	0%
Miscellaneous	2,580,426	367,852,729	693,242	\$ (367,159,487)	-100%
<b>TOTAL</b>	<b>\$ 231,339,383</b>	<b>\$ 636,314,098</b>	<b>\$ 289,595,200</b>	<b>\$ (346,718,898)</b>	<b>-54%</b>

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